REMARKS

Applicants have carefully reviewed and considered the Office Action mailed on September 4, 2007, and the references cited therewith.

Claims 1-22 are now pending in this application.

§ 102 Rejection of the Claims

Claims 1 - 22 were rejected under 35 USC § 102(e) as being anticipated by Liu et al., (U.S. PAP 2004/0002859).

Claims 1-22 are respectfully asserted to distinguish over Liu et al.

Liu describes a method of digital coding for transmitting and packing audio signals with high quality and much less computing complexity. Also, Liu discloses a method of digital coding that transforms input audio signals into a sequence of frequency samples representing a spectral composition of the audio signals, and quantizes the sequence of frequency samples into quantized values according to a bit allocation process. In contrast, present pending independent claims 1, 4, 9, 12, 15, 18 and 21 recite a method for quantizing an audio signal which enhances audio quality while operating at low bit rates without introducing birdie artifacts. In addition, the present subject matter provides a modified two-loop quantization technique that maintains audio quality at medium to high bit rates while reducing artifacts at low bit rates. In one example embodiment, the technique saves vanishing bands by stealing bits from surviving bands to reduce the artifacts at low bit rates. Support for this can be found in the specification on page 4 lines 1-5. Further, in every iteration of the modified two-loop quantization technique the critical bands in the current frame are checked to determine whether one or more critical bands are at a vanishing point and freezes the quantization step sizes of the bands that are at the vanishing point. Furthermore, audio coder chooses quantization steps sizes based on a user specified bit rate and a perceptual priority chart for each critical band

Claims 2-3, 5-8, 10-11, 13-14, 16-17, 19-20 and 22 depend directly or indirectly from independent claims 1, 4, 9, 12, 15, 18 and 21, respectively, so they should be found allowable for the reason presented above.

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For the above reasons, claims 1-22 should be found allowable over Liu et al. and Applicants request that the rejection of claims 1-22 as anticipated by Liu et al. should be withdrawn.

Conclusion

Applicants respectfully submit that the claims 1-22 are in condition for allowance and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicants' attorney (603-888-7958) to facilitate prosecution of this application.

Respectfully submitted,

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